

☒ **Presumption of Undue Hardship**  
(Check box as directed in Part D: Debtor's Statement  
in Support of Reaffirmation Agreement.)

# UNITED STATES BANKRUPTCY COURT

District of

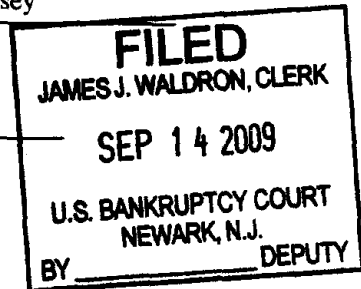
New Jersey

In re Stanley Kleinschmidt

Debtor

Case No. 09-13545

Chapter Chapter 7



## REAFFIRMATION AGREEMENT

*[Indicate all documents included in this filing by checking each applicable box.]*

☒ Part A: Disclosures, Instructions, and  
Notice to Debtor (Pages 1 - 5)

☒ Part B: Reaffirmation Agreement

☒ Part C: Certification by Debtor's  
Attorney

☒ Part D: Debtor's Statement in Support of  
Reaffirmation Agreement

☒ Part E: Motion for Court Approval

*[Note: Complete Part E only if debtor was not represented by an attorney during  
the course of negotiating this agreement. Note Also: If you complete Part E, you must  
prepare and file Form 240B - Order on Reaffirmation Agreement.]*

Name of Creditor: BMW Financial Services NA, LLC

☐ *[Check this box if]* Creditor is a Credit Union as defined in §19(b)(1)(a)(iv) of the Federal  
Reserve Act

## PART A: DISCLOSURE STATEMENT, INSTRUCTIONS AND NOTICE TO DEBTOR

### 1. DISCLOSURE STATEMENT

*Before Agreeing to Reaffirm a Debt, Review These Important Disclosures:*

### SUMMARY OF REAFFIRMATION AGREEMENT

This Summary is made pursuant to the requirements of the Bankruptcy Code.

### AMOUNT REAFFIRMED

The amount of debt you have agreed to reaffirm: \$ 20,805.43

*The amount of debt you have agreed to reaffirm includes all fees and costs (if any) that have  
accrued as of the date of this disclosure. Your credit agreement may obligate you to pay additional  
amounts which may come due after the date of this disclosure. Consult your credit agreement*

[The annual percentage rate can be disclosed in different ways, depending on the type of debt.]

a. If the debt is an extension of "credit" under an "open end credit plan," as those terms are defined in § 103 of the Truth in Lending Act, such as a credit card, the creditor may disclose the annual percentage rate shown in (i) below or, to the extent this rate is not readily available or not applicable, the simple interest rate shown in (ii) below, or both.

(i) The Annual Percentage Rate disclosed, or that would have been disclosed, to the debtor in the most recent periodic statement prior to entering into the reaffirmation agreement described in Part B below or, if no such periodic statement was given to the debtor during the prior six months, the annual percentage rate as it would have been so disclosed at the time of the disclosure statement: 5.90 %.

— And/Or —

(ii) The simple interest rate applicable to the amount reaffirmed as of the date this disclosure statement is given to the debtor: 5.90 %. If different simple interest rates apply to different balances included in the amount reaffirmed, the amount of each balance and the rate applicable to it are:

\$ \_\_\_\_\_ @ \_\_\_\_\_ %;  
\$ \_\_\_\_\_ @ \_\_\_\_\_ %;  
\$ \_\_\_\_\_ @ \_\_\_\_\_ %.

b. If the debt is an extension of credit other than under an open end credit plan, the creditor may disclose the annual percentage rate shown in (i) below, or, to the extent this rate is not readily available or not applicable, the simple interest rate shown in (ii) below, or both.

(i) The Annual Percentage Rate under § 128(a)(4) of the Truth in Lending Act, as disclosed to the debtor in the most recent disclosure statement given to the debtor prior to entering into the reaffirmation agreement with respect to the debt or, if no such disclosure statement was given to the debtor, the annual percentage rate as it would have been so disclosed:  
5.90 %.

— And/Or —

(ii) The simple interest rate applicable to the amount reaffirmed as of the date this disclosure statement is given to the debtor: 5.90 %. If different simple interest rates apply to different balances included in the amount reaffirmed,

the amount of each balance and the rate applicable to it are:

\$ \_\_\_\_\_ @ \_\_\_\_\_ %;  
\$ \_\_\_\_\_ @ \_\_\_\_\_ %;  
\$ \_\_\_\_\_ @ \_\_\_\_\_ %.

c. If the underlying debt transaction was disclosed as a variable rate transaction on the most recent disclosure given under the Truth in Lending Act

The interest rate on your loan may be a variable interest rate which changes from time to time, so that the annual percentage rate disclosed here may be higher or lower.

d. If the reaffirmed debt is secured by a security interest or lien, which has not been waived or determined to be void by a final order of the court, the following items or types of items of the debtor's goods or property remain subject to such security interest or lien in connection with the debt or debts being reaffirmed in the reaffirmation agreement described in Part B.

<u>Item or Type of Item</u>	<u>Original Purchase Price or Original Amount of Loan</u>
2004 BMW 525i	\$ 36,159.00

Optional--At the election of the creditor, a repayment schedule using one or a combination of the following may be provided:

Repayment Schedule:

Your first payment in the amount of \$ 602.65 is due on 4/13/2009 (date), but the future payment amount may be different. Consult your reaffirmation agreement or credit agreement, as applicable.

--Or--

Your payment schedule will be: \_\_\_\_\_ (number) payments in the amount of \$ \_\_\_\_\_ each, payable (monthly, annually, weekly, etc.) on the \_\_\_\_\_ (day) of each \_\_\_\_\_ (week, month, etc.), unless altered later by mutual agreement in writing.

--Or--

A reasonably specific description of the debtor's repayment obligations to the extent known by the creditor or creditor's representative.

Debtor will continue to pay all monthly payments of \$ 602.00 per month until loan is paid in full on the remaining balance as agreed per original loan.

**PART B: REAFFIRMATION AGREEMENT.**

I (we) agree to reaffirm the debts arising under the credit agreement described below.

1. Brief description of credit agreement:

2. Description of any changes to the credit agreement made as part of this reaffirmation agreement:

**SIGNATURE(S):****Borrower:**

Stanley Kleinschmidt

(Print Name)

Stanley Kleinschmidt

(Signature)

Date:

8/21/09

**Co-borrower, if also reaffirming these debts**

N/A

(Print Name)

(Signature)

Date:

**Accepted by creditor:**

BMW Financial Services NA, LLC

(Printed Name of Creditor)

PO Box 3607 Dublin, OH 43016-9815

(Address of Creditor)

April Griffin

(Signature)

April Griffin Bankruptcy and Replevin Specialist

(Printed Name and Title of Individual  
Signing for Creditor)

**Date of creditor acceptance:**

9-8-09

**PART D: DEBTOR'S STATEMENT IN SUPPORT OF REAFFIRMATION AGREEMENT**

*[Read and complete sections 1 and 2, OR, if the creditor is a Credit Union and the debtor is represented by an attorney, read section 3. Sign the appropriate signature line(s) and date your signature. If you complete sections 1 and 2 and your income less monthly expenses does not leave enough to make the payments under this reaffirmation agreement, check the box at the top of page 1 indicating "Presumption of Undue Hardship." Otherwise, check the box at the top of page 1 indicating "No Presumption of Undue Hardship"]*

1. I believe this reaffirmation agreement will not impose an undue hardship on my dependents or me. I can afford to make the payments on the reaffirmed debt because my monthly income (take home pay plus any other income received) is \$2,100, and my actual current monthly expenses including monthly payments on post-bankruptcy debt and other reaffirmation agreements total \$800, leaving \$1,300 to make the required payments on this reaffirmed debt.

I understand that if my income less my monthly expenses does not leave enough to make the payments, this reaffirmation agreement is presumed to be an undue hardship on me and must be reviewed by the court. However, this presumption may be overcome if I explain to the satisfaction of the court how I can afford to make the payments here: \_\_\_\_\_

(Use an additional page if needed for a full explanation.)

2. I received a copy of the Reaffirmation Disclosure Statement in Part A and a completed and completed and signed reaffirmation agreement.

Signed: [Signature]  
(Debtor)

N/A  
(Joint Debtor, if any)

Date: 8/21/09

— Or —

*[If the creditor is a Credit Union and the debtor is represented by an attorney]*

3. I believe this reaffirmation agreement is in my financial interest. I can afford to make the payments on the reaffirmed debt. I received a copy of the Reaffirmation Disclosure Statement in Part A and a completed and signed reaffirmation agreement.

Signed: \_\_\_\_\_  
(Debtor)

\_\_\_\_\_  
(Joint Debtor, if any)

Date: \_\_\_\_\_

**PART E: MOTION FOR COURT APPROVAL**

*[To be completed and filed only if the debtor is not represented by an attorney during the Course of negotiating this agreement.]*

**MOTION FOR COURT APPROVAL OF REAFFIRMATION AGREEMENT**

I (we), the debtor(s), affirm the following to be true and correct:

I am not represented by an attorney in connection with this reaffirmation agreement.

I believe this reaffirmation agreement is in my best interest based on the income and expenses I have disclosed in my Statement in Support of this reaffirmation agreement, and because (provide any additional relevant reasons the court should consider):

Therefore, I ask the court for an order approving this reaffirmation agreement under the following provisions (check all applicable boxes):

☒ 11 U.S.C. § 524(c)(6) (debtor is not represented by an attorney during the course of the negotiation of the reaffirmation agreement)

☐ 11 U.S.C. § 524(m) (presumption of undue hardship has arisen because monthly expenses exceed monthly income)

Signed: \_\_\_\_\_

(Debtor)

N/A  
\_\_\_\_\_  
(Joint Debtor, if any)

Date: \_\_\_\_\_

8/21/09



<b>1. PARTIES</b> <b>BUYER(S)</b> Name <u>STANLEY F. KLEINSCHMIDT</u> Address (include county and zip code) <u>22 OAKWOOD AVE</u> <u>MINE HILL NJ 07803</u> Billing Address (if different)		<b>SELLER</b> Name <u>DENVILLE BMW</u> Address <u>74 US HIGHWAY 46</u> <u>MOUNTAIN LAKES NJ 07046</u>  DATE OF CONTRACT <u>12/30/2006</u>	
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This Motor Vehicle Retail Installment Contract ("Contract") is entered into between the buyer(s) ("Buyer") and the seller ("Seller") named above. Unless otherwise specified, "I", "me" and "my" refer to the Buyer and "you" and "your" refer to the Seller or Seller's assignee. "Vehicle" refers to the vehicle described below. I promise to pay Seller the Total of Payments in accordance with the Payment Schedule shown below. I acknowledge that I am purchasing the Vehicle from Seller on an installment basis and accept the Vehicle in its present condition, including all its equipment, parts and accessories.

<b>2. VEHICLE</b> <input type="checkbox"/> New <input checked="" type="checkbox"/> Used Year <u>2004</u> Make <u>BMW</u> Model <u>525IA</u>		Vehicle Identification Number <u>WBANA53524B176417</u>	Odometer Reading <u>29003</u>	<input type="checkbox"/> Personal Use <input checked="" type="checkbox"/> Business Use
<input type="checkbox"/> Telephone <input type="checkbox"/> CD Player <input type="checkbox"/> (specify) <input type="checkbox"/> (specify) <input type="checkbox"/> (specify)				

<b>3. CREDIT DISCLOSURES</b> <b>ANNUAL PERCENTAGE RATE</b> The cost of my credit as a yearly rate. <u>5.90</u> %		<b>FINANCE CHARGE</b> The dollar amount the credit will cost me. \$ <u>4988.22</u>	<b>Amount Financed</b> The amount of credit provided to me or on my behalf. \$ <u>31170.78</u>	<b>Total of Payments</b> The amount I will have paid after I have made all payments as scheduled. \$ <u>36159.00</u>	<b>Total Sale Price</b> The total cost of my purchase on credit, including my downpayment of \$ <u>0.00</u> \$ <u>36159.00</u>
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<b>4. PAYMENT SCHEDULE</b> Number of Payments <u>60</u>		Amount of Payments <u>602.65</u>	When Payments Are Due Monthly, beginning <u>02/13/2007</u>
1 Balloon Payment (if applicable) <u>N/A</u>			

**SECURITY.** I am giving a security interest in the Vehicle. If all or any portion of a payment is more than 10 days late, I will be charged \$10.  
**LATE CHARGE.** If I pay off this Contract early, I will not have to pay a penalty.  
**PREPAYMENT.** Please read this Contract, including the reverse side, for additional information on security interests, nonpayment, default, and the right to require repayment in full before the scheduled maturity date.

<b>5. ITEMIZATION OF AMOUNT FINANCED</b> <b>A. CASH PRICE</b> (1) Cash Price of Vehicle and Accessories \$ <u>28791.85</u> (2) Other (Describe) <u>N/A</u> + <u>N/A</u> (3) Other (Describe) <u>N/A</u> + <u>N/A</u> (4) Other (Describe) <u>N/A</u> + <u>N/A</u> (5) Cash Price <u>28791.85</u> (6) Sales Tax <u>2015.43</u> Sales Tax is Calculated as follows: (a) Cash Price (A(5)) <u>28791.85</u> (b) Allowance on Trade-in <u>N/A</u> (c) Adjusted Cash price <u>28791.85</u> (d) Sales Tax <u>2015.43</u> (e) Adjusted Cash Price Plus Sales Tax <u>30807.28</u> (7) Total Cash Price (A(5) plus A(6)) = <u>30807.28</u>		<b>D. AMOUNTS PAID TO OTHERS ON MY BEHALF</b> (1) To Public Officials: (a) License, Title, and Registration Fees \$ <u>114.50</u> (b) Other Official Fees (Describe) <u>N/A</u> + <u>N/A</u> (2) To Insurance Companies For: (a) Credit Life/Disability Insurance + <u>N/A</u> (b) Other Insurance (Describe) <u>N/A</u> + <u>N/A</u> (3) Other Charges: (a) To <u>N/A</u> For Service Contract + <u>N/A</u> (b) To <u>N/A</u> For <u>N/A</u> + <u>N/A</u> (c) To <u>DENVILLE BMW</u> For <u>DOC FEE</u> + <u>249.00</u> (d) To <u>N/A</u> For <u>N/A</u> + <u>N/A</u> (e) To <u>N/A</u> For <u>N/A</u> + <u>N/A</u> (f) To <u>N/A</u> For <u>N/A</u> + <u>N/A</u> (g) To <u>N/A</u> For <u>N/A</u> + <u>N/A</u> (h) To <u>N/A</u> For <u>N/A</u> + <u>N/A</u> (4) Total Amounts Paid to Others on My Behalf = <u>363.50</u>	
<b>B. DOWN PAYMENT</b> (1) Net Value of Trade-in (Gross Allowance \$ <u>N/A</u> Payoff \$ <u>N/A</u> ) (Year <u>N/A</u> Make <u>N/A</u> Model <u>N/A</u> ) (2) Cash Down Payment + <u>N/A</u> (3) Manufacturer's Rebate Assigned to Seller + <u>N/A</u> (4) Other (Describe) <u>N/A</u> + <u>N/A</u> (5) Total Down Payment = <u>N/A</u>		<b>E. AMOUNT FINANCED (C plus D(4))</b> \$ <u>31170.78</u>	
<b>C. UNPAID BALANCE OF CASH PRICE (A(7) minus B(5))</b> \$ <u>30807.28</u>		*Seller and/or Seller's affiliates may retain or receive a portion of these amounts.	

**6. SERVICE CONTRACT**  
 A service contract is not required to obtain credit and will not be provided unless I sign and agree to pay the cost. The service contract issued by the Provider will describe the terms and conditions in further detail. By signing below, I agree to purchase the service contract for the term and cost indicated.  
 Provider: N/A Cost: \$ N/A Term: N/A months or N/A miles, whichever occurs first.

Buyer's Signature \_\_\_\_\_ X Buyer's Signature \_\_\_\_\_

<b>7. CREDIT INSURANCE</b> Credit life or credit disability insurance is not required to obtain credit and will not be provided unless I sign and agree to pay the premium. The policies or certificates issued by the insurer will describe the terms and conditions in further detail. By signing below, I agree to pay for the following insurance for the terms and premiums indicated.			
<input type="checkbox"/> I want Credit Life Insurance (One Buyer only) Term <u>N/A</u> mos. Premium \$ <u>N/A</u> Insured Name: _____	<input type="checkbox"/> I want Joint Credit Life Insurance Term <u>N/A</u> mos. Premium \$ <u>N/A</u> Insured Name: _____		
<input type="checkbox"/> I want Credit Disability Insurance (One Buyer only) Term <u>N/A</u> mos. Premium \$ <u>N/A</u> Insured Name: _____		Name of insurer(s): <u>N/A</u>	
X Buyer's Signature _____		X Buyer's Signature _____	

<b>8. OPTIONAL GAP CONTRACT ("GAP")</b> GAP is not required to obtain credit and I may purchase it from anyone I want who is reasonably acceptable to the Seller. I may purchase GAP under this contract by signing below and agreeing to pay the purchase price, shown in Section 3.D above. See my GAP contract for details on the protection it provides. Term <u>N/A</u> mos. Name of GAP Contract <u>N/A</u>	
X Buyer's Signature _____ X Buyer's Signature _____	

<b>9. INSURANCE VERIFICATION</b> I agree to maintain the insurance coverage described in Section 1.4. I affirm that such insurance is in force on the date of this Contract. I authorize Seller and its assignees to speak to my insurance agent or company, and any future insurance agents or companies, about my coverage for the Vehicle. STATE FARM INSURANCE X16 2636 C20 30X Insurance Company Policy No. Coverage Verified (Center Employee's Initials) <u>MATTHEW WILLIAMS</u> 84 BROADWAY DENVER NJ 07834 (973) 625-0586 Agent Name Address Phone No.	
All matters regarding insurance should be sent to: BMW FS Insurance Center, P.O. Box 390902, Minneapolis, MN 55439-0902 or faxed to (952) 833-9414.	

<b>10. BUYER NOTICES AND SIGNATURES</b> <b>IMPORTANT: READ THE ADDITIONAL TERMS ON REVERSE SIDE BEFORE SIGNING BELOW.</b> <b>NOTICE TO RETAIL BUYER: DO NOT SIGN THIS CONTRACT IN BLANK. YOU ARE ENTITLED TO A COPY OF THE CONTRACT AT THE TIME YOU SIGN. KEEP IT TO PROTECT YOUR LEGAL RIGHTS.</b> <b>I ACKNOWLEDGE RECEIPT OF A COMPLETELY FILLED-IN COPY OF THIS CONTRACT AT THE TIME OF SIGNING.</b>	
Buyer's Signature: X <u>Stanley F. Kleinschmidt</u>	Buyer's Signature: X _____

<b>11. SELLER SIGNATURES</b> The authorized signature of the Seller has the effect of: (1) accepting the terms and conditions of this Contract; (2) acknowledging verification of the existence of the insurance coverage required by this Contract with the Buyer's insurance agent; and (3) assigning this Contract to BMW Bank of North America, a wholly owned subsidiary of BMW Financial Services NA, LLC (collectively, "Assignee"), 5550 Britton Parkway, Hilliard, Ohio 43026, subject to the provisions of the Center Agreement between Seller and Assignee. Seller shall not be an agent of Assignee for any purpose.	
Authorized Signature: X <u>[Signature]</u>	Title <u>[Signature]</u>

This paragraph only applies to a Balloon Payment, which is a final payment that is more than twice as large as the range of all prior scheduled payments. The Balloon Payment option is only available if the Amount Financed under this Contract exceeds \$10,000. When my Balloon Payment is due, I may either (a) pay the Balloon Payment in full in cash; or (b) if I qualify, refinance the Balloon Payment with you, at your then prevailing rates, terms and conditions.

#### 13. PAYMENTS AND SECURITY INTEREST

**A. SIMPLE INTEREST CONTRACT.** I understand that this is a simple interest contract. The amount of the Finance Charge shown in Section 14 may vary depending upon when payments are received. The earlier that payments are received before each due date, the less Finance Charge I owe. The later that payments are received after each due date, the more Finance Charge I owe. Payments are first secured by the Finance Charge and then to the unpaid balance of the Amount Financed. After my last payment, you will advise me of any amounts owed or refund any amounts owed to me.

**B. RETURNED INSTRUMENT CHARGE.** If any check, draft or order or other similar instrument is returned to you unpaid for any reason, including, but not limited to, non-sufficient funds, I will be liable for a returned instrument charge of \$20.

**C. SECURITY INTEREST.** I grant you a security interest in: (1) the Vehicle; (2) all proceeds of such property; and (3) to the extent permitted by state law, I shall be liable for any deficiency or, if the cost is included in the monthly payment under this Contract, the proceeds, cancellation refunds or rights of any service or mechanical breakdown protection contract. This security interest secures payment and performance of my obligations under this Contract, or any other contract, including any indebtedness subsequently arising because of my failure to perform such obligations.

I agree to fully cooperate with you to perfect your security interest in the Vehicle, including, but not limited to, paying applicable titling and registration fees, obtaining a smog and/or safety inspection from an authorized inspection station, obtaining applicable inspections of the vehicle identification number from the appropriate law enforcement or other government officials, and providing you with inspection certificates and other documents necessary to perfect your security interest.

#### 14. VEHICLE COVERAGE

**A. REQUIREMENTS.** For the term of this Contract I must obtain and maintain insurance coverage for the Vehicle (including damage to the Vehicle (collision, fire and theft coverage) in the amount equal to the actual cash value of the Vehicle. The maximum deductible allowed for collision and comprehensive coverage is \$1000. I have the option of obtaining this insurance through an insurer of my choice that is acceptable to you. I must designate you as loss payee on such insurance. The policy must provide you with at least 30 days' advance notice of any amendment to or cancellation of coverage. I authorize you to execute in my name any proofs of insurance claims or losses and to endorse any notices or any insurances, receipts, drafts or checks. I must furnish satisfactory evidence that the Vehicle continues to be adequately covered by physical damage insurance for the entire term of the Contract, unless a charge for such insurance is included in the Contract. If at any time during the term of the Contract I fail to maintain or evidence the required insurance, you may, at your option, require me to purchase insurance which covers both my and your interests in the Vehicle or which covers only your interest in the Vehicle. If you buy either of these coverages, you will notify me and describe the charges I must pay. The charge will be payable either in installments or in full. If you purchase the latter, monthly payments and will consist of the cost of insurance plus interest at the Annual Percentage Rate shown on this Contract; or (2) within 10 days of written notice to me. Any charge will be secured by the Vehicle.

**THIS DOES NOT INCLUDE INSURANCE ON MY LIABILITY FOR BODILY INJURY OR PROPERTY DAMAGE. WITHOUT SUCH INSURANCE, I MAY NOT OPERATE THIS VEHICLE ON PUBLIC HIGHWAYS.**

**B. INSURANCE CHARGES RETURNED.** If any charge for required insurance is returned to you, it may be credited to my account or used to buy similar insurance or insurance which covers your interest in the Vehicle. Any refund or optional insurance deductible shall be credited to my account. These credits will be applied to as many of my installments as they will cover, beginning with the final installment and continuing in reverse order of maturity.

#### 15. WARRANTIES AND VEHICLE USE

**A. WARRANTIES.** Seller is not offering any express warranties unless Seller has given a written warranty to me. If Seller extends or the Vehicle's manufacturer extends, a written warranty or service contract covering the Vehicle within 90 days from the date of this Contract, I get implied warranties of merchantability and fitness for a particular purpose covering the Vehicle. If Seller or the manufacturer extends any implied warranties of merchantability and fitness for a particular purpose covering the Vehicle, unless the Vehicle:

**B. VEHICLE USE.** I agree that I will: (1) not garage the Vehicle at an address other than the address shown on this Contract without your written consent and will notify you of changes in my address; (2) not sell the Vehicle without your written consent; (3) except for less than 30 days in Canada, not operate the Vehicle outside the contiguous United States and Alaska and Hawaii; (4) not allow a lien to be placed upon the Vehicle; (5) not abandon the Vehicle or use it for hire or illegally; (6) maintain the Vehicle in good condition and have the Vehicle serviced and maintained in accordance with the manufacturer's recommended specifications; (7) permit you or your representative to inspect the Vehicle at any reasonable time; and (8) pay when due all taxes and assessments levied on the Vehicle. Should I fail to promptly pay any lien, encumbrance or taxes on the Vehicle, you may do so in my name. In such event I must immediately reimburse you for the cost thereof. If I do not immediately reimburse you, such cost, plus interest at a rate not to exceed the Annual Percentage Rate disclosed on the face of this Contract, will be added to the amount I owe under this Contract.

#### 16. DEFAULT

**A. DEFAULT.** I will be in default under this Contract if: (1) I fail to make any payment in full when due or fail to pay any other charge; (2) I fail to keep any of my promises under this Contract or in any other agreement I have with Seller or Seller's assignee; (3) I die, am declared incompetent or become insolvent, a bankruptcy petition is filed by or against me or I dissolve or cease active business affairs; (4) I give Seller false or misleading information in my credit application or any other document; (5) the Vehicle is destroyed, stolen or damaged beyond repair; (6) I fail to keep required insurance in force; (7) the Vehicle is subject to or threatened by seizure, confiscation, levy, or other involuntary transfer by governmental, administrative or legal process; or (8) my driver's license expires or is suspended, revoked, canceled or is otherwise restricted.

**B. REMEDIES.** If I am in default, you may demand that I pay all amounts I owe under this Contract at once (accelerate), and may pursue any and all of your other rights and remedies available under the law. In the event my obligation is referred for collection to an attorney who is not one of your salaried employees, I agree to pay, in addition to all other sums due and owing under this Contract, reasonable attorney's fees not to exceed 10% of the amount due and payable under this Contract plus court costs. Your remedies can be exercised singularly or in any combination. In the event of a default, you may repossess the Vehicle, in which event I may be entitled to get it back (redeem) by making timely payment of charges (such as repossession fees and storage costs) incidental to the repossession plus the past due amount plus other amounts due under this Contract and performance of all other obligations under this Contract. If the Vehicle is sold, the proceeds will be applied first to reasonable expenses of repossession, then to the cost of advertising and selling the Vehicle, including attorneys' fees not to exceed 10% of the amount due and payable under this Contract and court costs, and then to all amounts due under this Contract. If there is any money left over, it will be paid to me, subject to the right of any other party to the proceeds of the sale of the Vehicle are insufficient to pay all amounts due to you, plus the costs and expenses of repossession and sale, I will be liable for any deficiency to the extent permitted by applicable law. Any personal property of mine in or attached to the Vehicle which is not subject to your security interest shall be held by you without liability if the Vehicle is repossessed. I shall be deemed to have waived any claim thereto unless written demand by certified mail is made upon you within 10 days after repossession.

#### 17. ADDITIONAL TERMS

I understand that: (A) I have no right to assign any of my rights under this Contract, although you may assign your interests under this Contract without my consent; (B) you may vary or change the enforcement of your rights under this Contract without affecting your rights or interests; (C) any provision of this Contract which may be held unenforceable shall not affect the enforceability of other portions of this Contract; (D) if more than one buyer has signed this Contract, each one will be jointly and severally liable for all obligations under this Contract; (E) all correspondence and notices will be sent to my Billing Address shown on this Contract unless I give you a different address in writing; and (F) this Contract will be governed by the laws of the state of the Seller's place of business shown on the front side of this Contract. The terms and conditions of this Contract, including all agreements with respect to the installment sale of the Vehicle between Seller and me and all prior agreements, whether oral or in writing, are superseded. This Contract cannot be changed or terminated by any oral agreement.

#### 18. PUBLIC NOTICE

If the vehicle is a used vehicle, the following notice applies: THE INFORMATION YOU SEE ON THE WINDOW FORM FOR THIS VEHICLE IS PART OF THIS CONTRACT. INFORMATION ON THE WINDOW FORM OVERRIDES ANY CONTRARY PROVISIONS IN THE CONTRACT OF SALE.

The following notice does not apply if the Vehicle is purchased for business use:

**NOTICE - ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.**

#### 19. ARBITRATION CLAUSE

##### PLEASE REVIEW - IMPORTANT - AFFECTS MY LEGAL RIGHTS

**NOTICE:** Either you or I may choose to have any dispute between us decided by arbitration and not in a court or by jury trial. If a dispute is arbitrated, I will give up my right to participate in a class representative or class member on any class claim I may have against you including any right to class arbitration or any consolidation of individual arbitrations. Discovery and rights to appeal in arbitration are generally more limited than in a lawsuit, and other rights you and I would have in court may not be available in arbitration.

Any claim or dispute, whether in contract, tort, statute or otherwise (including the interpretation and scope of this clause, and the arbitrability of the claim or dispute), between me and you or your employees, agents, salespersons or assignees, which arises out of or results from my purchase or condition of this Vehicle, this Contract or any resulting transaction or relationship (including any such relationship with third parties who do not sign this Contract) shall, at your or my election, be resolved by neutral, binding arbitration and not by a court action. Any claim or dispute is to be arbitrated by a single arbitrator on an individual basis and not as a class action or other mass action. I expressly waive any right I may have to arbitrate a class action. I may choose the following arbitration organization and its applicable rules: the National Arbitration Forum, Box 50191, Minneapolis, MN 55405-0191 (www.arbitration-forum.com), or any organization that I may choose subject to your approval. I may get a copy of the rules of these organizations by contacting the arbitration organization or visiting its website.

Arbitrators shall be attorneys or retired judges and shall be selected pursuant to the applicable rules. The arbitrator shall apply governing substantive law in making an award. The arbitration hearing shall be conducted in the federal district in which I reside unless the Seller is a party to the claim or dispute. In which case the hearing will be held in the federal district where this Contract was executed. The arbitrator shall be empowered as permitted under the Rules of the National Arbitration Forum to award equitable relief as well as legal relief, to provide all temporary and/or provisional remedies and to enter equitable orders that will be binding upon the parties. Any award or dispositive order of the arbitrator may be entered as a judgment in any court having jurisdiction. We agree that either you or I may, without objection, request an expedited hearing under the applicable rules.

You will advance my filing, administration, service or case management fee and my arbitrator or hearing fee all up to a maximum of \$1500, which may be reimbursed by decision of the arbitrator at the arbitrator's discretion. Each party shall be responsible for its own attorney, expert and other fees, unless awarded by the arbitrator under applicable law. If the chosen arbitration organization's rules conflict with this clause, then the provisions of this clause shall control. The arbitrator's award shall be final and binding on all parties, except that in the event the arbitrator's award for a party is 50 or against a party is in excess of \$100,000, either party may request a new arbitration under the rules of the arbitration organization by a three-arbitrator panel. The appealing party requesting new arbitration shall be responsible for the filing fee and other arbitration costs subject to a final determination by the arbitrators of a fair apportionment of costs. Any arbitration under this Arbitration Clause shall be governed by the Federal Arbitration Act (9 U.S.C. § 1 et. seq.) and not by any state law concerning arbitration; however, the governing law as to the substantive issues of the Contract and Vehicle shall be the law of the state of Seller's place of business.

You and I may retain any rights to self-help remedies, such as repossession. Neither you nor I waive the right to arbitrate by using self-help remedies or filing suit. Any court having jurisdiction may enter judgment on the arbitrator's award. This clause shall survive termination, payoff or transfer of this Contract. If any part of this Arbitration Clause, other than waivers of class action rights, is deemed or found to be unenforceable for any reason, the remainder shall remain enforceable.

Notwithstanding any other provision for notice contained in the Contract, any arbitration claim or other notice provided under the rules of the arbitration administrator will be given to you at the following address: If my claim is against the Seller, I agree that notice of my claim will be given to the Seller at the address specified in Section 1 of this Contract. If my claim is against the Seller's assignee (designated in Section 1 of this Contract), I agree that notice of my claim will be given at 5580 Britton Parkway, Hilliard, OH 43026. If my claim is against both Seller and Assignee, I agree that both Seller and Assignee will be notified of my claim at the addresses indicated herein.